

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2014 (U39M).

Application 12-11-009
(Filed November 15, 2012)

And Related Matter.

Investigation 13-03-007

**DECISION GRANTING COMPENSATION TO SMALL BUSINESS UTILITY
ADVOCATES FOR SUBSTANTIAL CONTRIBUTION TO DECISION 14-08-032**

Intervenor: Small Business Utility Advocates (SBUA)	For contribution to Decision (D.) 14-08-032
Claimed: \$95,331.73	Awarded: \$82,140.73 (reduced 14%)
Assigned Commissioner: Michel P. Florio	Assigned ALJ: ALJ Division ¹

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	Decision (D.) 14-08-032 authorizes Pacific Gas and Electric Company's revenue requirement increase for 2014-2016. The decision approves test year revenue requirements increases of \$460 million (for a 6.9% increase) and authorizes attrition rate adjustments of 4.57% for 2015 and 5% for 2016. Additionally, D.14-08-032 adopts a number of settlement agreements between parties for issues not fully litigated.
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	January 11, 2013	Verified

¹ This proceeding was originally assigned to Judge Pulsifer, who has since retired.

2. Other specified date for NOI:		
3. Date NOI filed:	February 11, 2013	Verified
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.13-04-012	Verified
6. Date of ALJ ruling:	July 25, 2013	Verified
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.13-04-012	Verified
10. Date of ALJ ruling:	July 25, 2013	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D. 14-08-032	Yes
14. Date of issuance of Final Order or Decision:	August 14, 2014	Yes
15. File date of compensation request:	October 3, 2014	Yes
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Intervenor’s Comment(s)	CPUC Discussion
5-8 and 9- 12	On February 11, 2013, SBUA requested a ruling on its showing of significant hardship in its Notice of Intent filed in this proceeding. Pub. Util. Code (PUC) §1804(b)(1). No immediate action was taken by the Commission; however, on July 25, 2013, the ALJ in another proceeding (A.13-04-012) ruled that SBUA satisfied the eligibility requirements of Section 1804 and had made a showing of significant hardship. SBUA in accordance with this ruling proceeded with its activities at the Commission.	The Commission accepts this assertion.

9, 10, 11, and 12	<p>SBUA is a California nonprofit organization and the economic interests of its members are small relative to the costs of participating in a general rate case, including analyzing the application and testimony, submitting expert testimony, preparing filings, reviewing responses and other filings, engaging in settlement negotiations, and other work related to participating in the proceeding. <i>See</i> PUC § 1802(g). Current SBUA Articles of Incorporation are on file with the Commission. <i>See</i> SBUA Notice of Intent to Claim Intervenor Compensation in this proceeding (Application 12-11-009), filed February 11, 2013. Pursuant to Commission Rule 17.1(d), SBUA has not attached another copy of SBUA's Articles with this compensation request. SBUA is the only party in this proceeding focusing <i>exclusively</i> on the small business community as a whole, whose interests diverge from residential ratepayers and mid- to large-sized businesses on the issue of rate structure, the justification and rational for rate increases, and on other energy matters. If the Commission wishes to have additional information regarding SBUA's showing of significant hardship, SBUA requests the opportunity to provide such information before a draft decision on this compensation request.</p> <p>Because small commercial customers usually cannot afford their own representation, there is a danger of that the interests of this group of customers is overlooked or marginalized. The Commission has recognized that adequate representation requires not only the broad efforts of the Office of Ratepayers Advocates but also the participation of parties with special interests. SBUA has not obtained funds from any donors directly to support its participation in this proceeding.</p>	The Commission accepts this assertion.
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<p>settlement's consistency with the standards the Commission employs to assess the reasonableness of a proposed settlement. As a result, the decision has less detail than does the Settlement Agreement and Settlement Motion about how the settlement outcomes reflect an individual party's position. Therefore, SBUA's discussion of its substantial contribution to the Commission's decision relies more on the Settlement Agreement and Settlement Motion than it does the text of D.14-08-032. SBUA submits that this is a reasonable approach under the circumstances. However, should the Commission not agree and wish to see some other analysis of SBUA's substantial contribution, SBUA requests that it be so informed and provided an opportunity to supplement this intervenor compensation claim.</p>		
<p>A. Customer Service and Outreach to Small Businesses</p> <p>SBUA argued for improving services to small business with more outreach and support. SBUA also maintained that PG&E should enhance its tracking systems to identify small business customers so as to more easily provide this class of businesses with future services. SBUA recommended that "the CPUC allow PG&E to secure additional support in helping small businesses navigate the hurdles necessary to secure contracting work with PG&E." SBUA Opening Testimony, p. 29.</p> <p><u>Settlement Outcomes:</u></p>	<p>Final Decision, p. 638; SBUA Settlement, Sections 2.1.1, 2.1.2, and 2.2; Motion for Adoption of Settlement, p. 5.</p> <p>Final Decision, pp. 321-323 (citing SBUA support for account services).</p> <p>SBUA Opening Testimony, Exhibit 161, pp. 10-25 (recommending increased services for small businesses), 3-4, 17, 30 (advocating for improving tracking systems to identify small businesses).</p> <p>SBUA Reply Brief, Exhibit 165, pp. 2-4 (support for funding request for Major Work Category (MWC) IV).</p>	<p>Yes.</p>

<p>The SBUA Settlement mandates that PG&E increase its services and outreach to small businesses. Provisions are designed to ensure that ratepayer funds in significant amounts will be dedicated to serve small businesses. Specifically, the settlement provides PG&E will dedicate 33% of PG&E's incremental expense forecast for customer energy solutions and account services activity to support the needs of small businesses. These services include support for billing issues, new service requests, planned gas or electric shutdowns, as well as providing outage and reliability communications. As part of this effort, PG&E will target 33% of the additional full time equivalent positions funded by the incremental expense forecast for customer energy solutions in account services to primarily serve small business customers.</p> <p>In addition, the settlement provides that PG&E will plan and propose a new tracking system to identify small business customers and to better serve their needs. PG&E will provide a copy of this plan to SBUA in 2015.</p>	<p><i>See also</i> Final Decision, p. 265 and SBUA Settlement, Section 2.1. SBUA supported an increase of customer service funds to meet the needs of small businesses, of which 33% is now dedicated to supporting small businesses.</p>	
<p>B. Improved Contracting Opportunities for Small Businesses</p> <p>SBUA maintained that improved contracting opportunities for small business are a vital consideration in this rate case. In this regard, SBUA argued for more outreach, education, and support for small</p>	<p>Final Decision, p. 638; SBUA Settlement, Sections 3.1, 3.2, 3.3, and 3.4; Motion for Adoption of Settlement, p. 5-7.</p> <p>SBUA Opening Testimony, Exhibit 161, pp. 25-34 (advocating for enhanced contract opportunities for small businesses) and 25-29 (testimony in support of assisting</p>	<p>Yes.</p>

<p>businesses to increase their contracting opportunities with PG&E.</p> <p><u>Settlement Outcomes:</u></p> <p>The SBUA Settlement requires PG&E to aggressively increase contracting opportunities for small businesses in a variety of ways. <u>First</u>, the settlement provides that PG&E will dedicate 33% of its incremental expense forecast for the supply chain sustainability program to work with small businesses and help them participate in the program. As part of this effort PG&E will develop a training manual educating small businesses on how to participate in sustainability program and hold one workshop annually for small businesses during the 2014 GRC period. As a result, SBUA expects small businesses will receive an increased opportunity to successfully compete for procurement contracts accounting for \$4.4 billion of goods and services annually with PG&E.</p> <p><u>Second</u>, the settlement agreement provides that PG&E will encourage small businesses to engage in providing energy solutions to the utility. Specifically, PG&E will create a new dedicated web page as a resource for small businesses to learn more about contract opportunities related to energy solutions for electricity and natural gas products. SBUA's objective here is to help innovative small businesses (including Silicon Valley Companies) to bring new ideas to PG&E and the</p>	<p>small electric generators).</p> <p><i>See also</i> Final Decision, p. 457 (“[t]he Supply Chain – Sourcing (Sourcing) organization is the functional lead for the procurement of materials and services at PG&E, accounting for more than \$4.4 billion of goods and services annually.”).</p>	<p>Yes.</p>
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<p>Commission to improve electric and natural gas service.</p> <p><u>Third</u>, the settlement provides that PG&E will engage in written outreach and education to alert small businesses of any contracting opportunities that arise for outsourced work related to greenhouse gas compliance and carbon offsets. Small businesses therefore will be better situated to participate in future opportunities to provide services related to compliance and offsets.</p> <p><u>Finally</u>, the settlement provides that PG&E will consider assigning a full time employee for the 2014 GRC period to support small electric generators (i.e., generators that are 5 megawatts or less) under the Commission's Renewable Performance Standard (RPS) program or similar mandated procurement programs.</p>		
<p>C. Economic Development</p> <p>SBUA argued that small businesses should be specifically considered and not excluded from any programs related to economic development. SBUA's expert expressed concerns that historically economic development funds via PG&E's local partnerships have targeted larger businesses and largely excluded smaller businesses.</p> <p><u>Settlement Outcomes:</u></p> <p>The SBUA Settlement mandates that any economic development funds are targeted to include economic support for small</p>	<p>Final Decision, p. 638, SBUA Settlement, Sections 4.1 and 4.2; Motion for Adoption of Settlement, p. 7.</p> <p>SBUA Opening Testimony, Exhibit 161, pp. 23-25 (ensuring economic development efforts do not exclude the small business community).</p> <p>SBUA Rebuttal Testimony, Exhibit 165, pp. 3-5 (raising additional concerns regarding economic development funds).</p> <p><i>See also</i> Final Decision, p. 323-324 (awarding economic development funds of at least \$2.8 million to</p>	<p>Yes.</p>

<p>businesses. These changes ensure that the use of ratepayer funds in this area will be targeted to include small businesses. Specifically, the settlement provides that PG&E will work with organizations that receive economic development funds to support the needs of small businesses. Such services for small businesses may include: estimating costs and responding to customer inquiries associated with new utility services; determining the service reliability and delivery options within a desired area; and presenting demand-side management incentives to lower the cost of expanding, relocating, or continuing a business within PG&E's service area.</p>	<p>retain and grow customers (MWC FK)).</p>	
<p>D. Other Issues</p> <p>SBUA spent relatively smaller amounts of time on several other issues including: (i) stability in small business natural gas rates; (ii) health care costs related to PG&E expenditures on small businesses; (iii) PG&E advertising and lobbying activities; and (iv) issues related to short term incentive plans (STIP). SBUA and PG&E interfaced on these issues during settlement discussion and committed to semi-annual meetings that include discussions of STIP issues. As a compromise to reach settlement with PG&E, SBUA agreed not to further advance or further litigate these other issues. Even though SBUA did not ultimately advance these positions, the availability of alternatives for consideration in SBUA's testimony and in settlement negotiations provided a</p>	<p>SBUA Opening Testimony, Exhibit 161, pp. 10 (stability in small business natural gas rates), 32 (health care costs), 34-36 (STIP issues impacting small businesses), 37 (advertising and lobbying).</p> <p>SBUA Rebuttal Testimony, Exhibit 165, p. 5 (STIP concerns related to small businesses).</p> <p>SBUA Settlement, Section 5.1 (SBUA and PG&E meetings to include discussion of STIP).</p>	<p>A portion of the hours allocated to "Other Issues" is disallowed due to lack of substantial contribution. <i>See</i> Part III.D below.</p>

more full, robust debate on the issues at hand and provided leverage to negotiate on other settled issues. SBUA's review of the record on those issues was therefore necessary for SBUA's full participation in the proceeding.		
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?²	Yes	Yes.
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Yes.
c. If so, provide name of other parties: The following parties submitted testimony or filed comments or briefs resolved by D.14-08-032: PG&E, ORA, The Utility Reform Network (TURN), the City and County of San Francisco (CCSF), the Greenlining Institute (Greenlining), the Center for Electrosmog Prevention (CEP), the Coalition of California Utility Employees (CCUE), Merced And Modesto Irrigation Districts (Irrigation Districts), the Marin Energy Authority (MEA), the Alliance for Retail Energy Markets, the Direct Access Customer Coalition, Engineers and Scientists of California (ESC), the so-called "Joint Parties" (<i>i.e.</i> , the National Asian American Coalition and Ecumenical Center for Black Church Studies, the Chinese American Institute for Empowerment, the National Hmong American Farmers, and the Burmese American Institute for Corporate Responsibility), Energy Producers and Users Coalition, and Alliance for Nuclear Responsibility.		Yes.
d. Intervenor's claim of non-duplication: SBUA's advocacy differed from that of other consumer parties, in that SBUA is unique with a focus <i>exclusively</i> on the interests of small business community. SBUA sought to reduce overlap of efforts by presenting unique		Yes.

² The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>perspectives on the concerns of small commercial customers as a group. On or around February 14, 2013, early in the proceeding, SBUA reached out to ORA to coordinate and identify any overlapping issues. On or around March 8, 2013, SBUA organized a conference call with ORA and TURN to ensure any necessary coordination of efforts and being aware of each others' positions. Resources were maximized and efforts were supportive rather than duplicative.</p> <p>The Joint Parties and Greenlining had subsets of small business interests but SBUA's arguments were separate and distinct. The Joint Parties represent minority interests and Greenlining represents low income customers and communities of color. SBUA represents small businesses as an entire class, whose interests are distinct from and broader than the subsets of minority and low income customers.</p> <p>Any duplication that may have occurred here was incidental, and SBUA's participation in that regard was in addition to but not duplicative of the arguments and evidence presented by other parties. SBUA's compensation in this proceeding should not be reduced for duplication of the showings of other parties. Further, in a proceeding involving multiple participants, the Commission has recognized is virtually impossible for any party to completely avoid some duplication of the work of other parties. In this case, SBUA took all reasonable steps to keep such duplication to a minimum.</p>	
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C. Additional Comments on Part II:

#	Intervenor's Comment	CPUC Discussion
Part II (A)	<p>SBUA refined the focus of its participation during the proceeding, and upon further examining testimony, to concentrate its efforts on the most pertinent and critical issues for small commercial customers. The Commission has recognized that customers need not precisely identify all issues at the beginning of the proceeding to be eligible for an award of reasonable compensation per PUC section 1804(b)(2).</p>	<p>The Commission accepts this assertion.</p>

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§ 1801 and § 1806):**

a. Intervenor's claim of cost reasonableness:	CPUC Discussion
<p>SBUA's main objective for the proceeding was to protect and advance the interests of small commercial customers. The Commission approved and adopted the SBUA-PG&E Settlement without modifications, including numerous provisions (as discussed above) that benefit small businesses. SBUA's request for intervenor compensation seeks an award of approximately ninety-five thousand dollars, including expenses and all other fees and costs, which is reasonable in light of the benefits achieved through SBUA's participation in the proceeding.</p> <p>In this proceeding, SBUA actively participated in submitting testimony and analysis, settlement negotiations, and drafting efforts and pleadings that led to the approval of the SBUA-PG&E Settlement. The settlement is beneficial because it reaches a reasonable compromise among PG&E and small business interests. The settlement has both quantitative and qualitative benefits although precise dollar values are difficult to attribute. As a result of SBUA's work PG&E will: dedicate 33% of certain funds for customer energy solutions and account services activity to serving small businesses; target economic development funds, including an approved \$2.8 million to retain and grow customers, to assist small businesses; create future opportunities for small businesses to submit innovative proposals and ideas to PG&E; design a tracking system for PG&E spend on small businesses to increase the focus on small business spending; increase opportunities for small businesses to navigate and get help with supply chain sustainability programs (increased contracting opportunities to \$4.4 billion dollars annually); and create potential future opportunities for small businesses to sell or purchase carbon offsets and credits to or from PG&E. Some of the benefits to small commercial customers resulting from SBUA's participation can be inferred only by closely comparing the SBUA-PG&E Settlement as compared to PG&E's original proposal. SBUA also achieved significant modifications in PG&E's policy and procedures in the settlement. Although not all of these benefits are quantifiable, the adoption of the SBUA-PG&E Settlement will help protect an important customer class and is in the public interest. Moreover, SBUA's fee request is miniscule in comparison to the Commission approved test year revenue requirements increase of \$460 million.</p> <p>In assessing SBUA's substantial contribution, the Commission also should factor its desire to encourage participation of a broad range of customer interests and policies encouraging settlement. Along with this the Commission should weigh the consequence of placing customers at risk for</p>	<p>Verified.</p>

<p>participating in settlements and consequential incentive to litigate in order to more explicitly document substantial contribution.</p> <p>In sum, the Commission should conclude that SBUA's overall request is reasonable and SBUA's participation was productive and outweighed the cost of participation.</p>	
<p>b. Reasonableness of hours claimed:</p> <p>SBUA's attorney James Birkelund devoted approximately 139 hours to this proceeding, or a total of about 3-4 weeks' worth of time. SBUA's expert Michael Brown devoted approximately 174 hours to this proceeding, or a total of a little over 4 weeks of time. SBUA and PG&E entered a settlement shortly after hearings commenced, thereby foreclosing the need to cross-examine each other's witnesses. The proceeding therefore required a significant number of hours devoted to settlement negotiations, which addressed SBUA's major issues of concern. These amounts of time spent are reasonable for a rate case resulting in an increased revenue award of approximately \$460 million in the test year alone.</p> <p>James Birkelund served as the lead attorney for SBUA in this proceeding, including by submitting legal briefs, negotiating, and finalizing settlement positions. He played a wide-ranging role and was also responsible for researching, analyzing, and drafting various SBUA positions and issues for SBUA's expert testimony. Mr. Birkelund took the lead for SBUA in settlement discussions with PG&E and negotiated issues and settlements on behalf of small business interests. SBUA seeks compensation for 139 of his hours, which is below his total hours estimated in SBUA's NOI. This is a reasonable request given the high demand on legal services to participate in a complex GRC, as here.</p> <p>Michael Brown served as SBUA's expert witness and played a lead role in developing testimony and he also provided input to the settlement discussions regarding the expert issues he covered. Mr. Brown had a significant role in identifying and promoting small commercial customer interests this proceeding. SBUA seeks compensation for approximately 174 of his hours. These hours are significantly more than initially estimated in the NOI to claim compensation due to direction from SBUA to identify and refine the small business issues that were most critical and pertinent in this proceeding.</p> <p>Mr. Birkelund and Mr. Brown avoided unnecessary duplication and worked together efficiently. Both were involved in researching and analyzing small business issues, bringing their own knowledge and expertise, and on some occasions both had to participate in the same settlement meetings, as the meetings covered multiple issues and topics.</p>	

<p>Mr. Birkelund and Mr. Brown had different responsibilities in settlement negotiations and involving both in certain meetings was essential to the effective development and implementation of SBUA's settlement strategy for this proceeding. They did not play duplicative roles in settlement, and each was an active participant, bringing his particular knowledge and expertise to bear on the discussions. By comparison, PG&E had 4 or more people to cover various topics in settlement.</p> <p>SBUA has omitted certain time entries from its billing records that reflect potentially duplicative activities. These deductions include instances involving certain internal conferences or emails, for which SBUA has submitted time entries for only one attorney or expert. The attached time records reflect these deductions; for example, where there is a time entry from one attorney or expert showing that a meeting took place, but there is no corresponding entry from the other attorney or expert, this is because the corresponding entry was omitted.</p> <p>The hours requested above are reasonable in the context of the level of effort required to participate in a general rate case and reach a settlement. The time spent in settlement was ultimately more beneficial for all parties than protracted litigation engagement, which would have entailed significantly more hours. SBUA's original estimate of work in its NOI assumed the possibility that parties could reach a settlement compromise, as has been a common result of previous GRCs before this Commission.</p>	
<p>c. Allocation of hours by issue:</p> <p>SBUA has assigned the following issue codes:</p> <ul style="list-style-type: none"> A. Customer Service and Outreach to Small Businesses – 91.45 hours or 30% B. Contracting Opportunities for Small Businesses – 96.85 hours or 32% C. Economic Development – 23.4 hours or 8% D. Other Issues (short-term incentive plan, health care expenditures, natural gas issues, lobbying and advertising) – 58.4 hours or 19% E. General (coordination, procedural issues) – 35.8 hours or 12% <p>SBUA asserts that the categories above are well defined to allow SBUA to accurately assign hours to various tasks in its time entries. Although it can be difficult to allocate settlement work precisely by issues, since most settlement meetings involved a review and analysis of multiple small business issues, these categories allowed SBUA to appropriately assign time. Should the Commission wish to see different information on this point or some other breakdown of SBUA's hourly work, SBUA requests that we be so informed and provided an opportunity supplement this request accordingly.</p>	<p>A portion of the hours spent on preparing the NOI and compensation request is disallowed as excessive. <i>See</i> Part III.D below.</p>

SBUA submits that all of the hours claimed were reasonably and efficiently expended and should be fully compensated. SBUA also spent 40³ hours preparing this compensation request and the NOI. This includes more hours than might typically be required because it is the first compensation request filed by the organization. Because of this, more detail is needed to demonstrate background and eligibility for rates and compensation. *Compare with D.09.10.051* (Commission awarded TURN compensation for 30 hours of compensation-related work). In addition, both SBUA's attorney and expert devoted time to reviewing the hours and time entries attached and explaining substantial contributions herein, and many of these hours have been excluded.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
James Birkelund	2012	4.2	\$395	See Comments 1, 2, and 5; and Attachment 3	\$1,659.00	4.2	\$395	\$1,659.00
James Birkelund	2013	131.5	\$405	As above	\$53,257.50	119.9	\$405	\$48,559.50
James Birkelund	2014	3.3	\$405	As above	\$1,336.50	3.3	\$405	\$1,336.50
Michael Brown	2013	166.9	\$185	See Comments 1, 3 and 5; and Attachment 4	\$30,876.50	137.6	\$185	\$25,456.00
Subtotal: \$87,129.50						Subtotal: \$77,011.00		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Michael Brown	2013	7 hours travel	\$92.50(at 50% of proposed rate	See Comments 1, 3, and 5; and Attachment 4	\$647.50	7	\$92.50	\$647.50
Subtotal: \$647.50						Subtotal: \$647.50		

³ SBUA original request lists this number as 30. However, they have since filed clarification on the number of hours spent here.

INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
James Birkelund	2013-2014	34	\$202.50 (at 50% proposed rate)	See Comments 1, 2, and 5; and Attachment 3	\$6,885.00	17	\$202.50	\$3,442.50
Michael Brown	2014	6	\$92.50 (at 50% proposed rate)	See Comments 1, 3, and 5; and Attachment 4.	\$555.00	3	\$92.50	\$277.50
Subtotal: \$7,440.00						Subtotal: \$3,720.00		
COSTS								
#	Item	Detail			Amount	Amount		
1	Costs Incurred by James Birkelund	Please see Attachment 5			\$206.81	\$206.81		
2	Costs Incurred by Expert M. Brown	Please see Attachment 6			\$555.42	\$555.42		
Subtotal: \$762.23						Subtotal: \$762.23		
TOTAL REQUEST: \$95,331.73						TOTAL AWARD: \$82,140.73		
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p>								
ATTORNEY INFORMATION								
Attorney		Date Admitted to CA BAR ⁴		Member Number		Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation		
James Birkelund		March 2000		206328		No		

⁴ This information may be obtained through the State Bar of California's website at .

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
Comment 1 Time Keeping	<p>A daily listing of the specific tasks performed by Mr. Birkelund and Mr. Brown in connection with this proceeding is set forth in Attachments 1 and 2, respectively. SBUA's attorney and expert maintained detailed time records indicating the number of hours devoted to work on this case. In preparing this appendix, Mr. Birkelund reviewed all of the recorded hours devoted to this proceeding and included only those that were reasonable for the underlying task.</p>
Comment 2 Hourly Rates for James Birkelund	<p>SBUA seeks an hourly rate for the work of senior counsel James Birkelund of \$395 for his work in 2012. Mr. Birkelund's requested compensation "take[s] into consideration the market rates paid to persons of comparable training and experience who offer similar services," <i>see</i> PUC § 1806, is within the established 2012 range of rates for his level of experience, and is in accordance with the Commission's guidelines in D. 05-11.031. Mr. Birkelund received his J.D. and started working at a law firm in 1999 and in 2012 he was in his thirteenth year of legal experience. For 2012, the PUC compensated attorneys with 13+ yrs. of experience in the range of \$305-\$545 per hour. Resolution ALJ-281. Mr. Birkelund's requested rate is within the bottom half of this rate range.</p> <p>Mr. Birkelund is the President and General Counsel of SBUA and associates with the law firm Cleantech Law Partners PC in his legal practice. His legal profile is included in Attachment 3. Mr. Birkelund graduated from the University of Michigan School of Law in 1999. His experience as an energy attorney is broad and includes: serving currently as the Director of the Utilities Practice Group at Cleantech Law Partners; experience advising on PUC matters in California, Idaho, Oregon, South Dakota, and Colorado; and in-house counsel experience at a major utility (with over \$1.5 billion in annual revenues) where he advised and routinely commented on energy regulatory issues. Mr. Birkelund frequently practices in federal and California courts and before administrative agencies. He formerly held positions as a Senior Project Attorney at the Natural Resources Defense Council (NRDC) and as an attorney at Morrison & Foerster, LLP, and he has a Master of Science in Resource Policy from the University of Michigan School of Natural Resources. He also currently serves as an <i>Adjunct Professor</i> at Hastings College of Law in San Francisco where he teaches negotiations classes and as a <i>Judge Pro Tem</i> at the San Francisco Superior Court of California.</p> <p>The reasonableness of the \$395 rate is confirmed when compared to the rates the Commission has approved for other attorneys with comparable qualifications and experience in the energy industry and administrative proceedings. <i>See</i> PUC § 1806; guidelines in D.05-11-031. For example, TURN is seeking compensation in this proceeding at a rate of \$400 per hour for Matthew Freedman who was admitted to the California Bar in 2001, a year after Mr. Birkelund. The Commission granted a rate of \$420 per hour for Melissa Kasnitz when she had 15 years of legal experience. D.09-003-018. Rates have increased over time and Mr. Birkelund with 15 years of legal experience in 2014 (since starting at a law firm in 1999) is requesting a considerably</p>

	<p>lower rate at \$405 per hour than was awarded to Ms. Kasnitz in D.09-003-018. Although not necessary here, the Commission also has the discretion to grant an efficiency adder to rates for attorney hours spent in preparation of technical testimony, which Mr. Birkelund also engaged in. <i>See</i> D.98.04.059 (citing D.91-11-067 (Commission awarded a \$25 per hour efficiency adder to the hours of a customer's attorney spent in the preparation of technical testimony)). Mr. Freedman and Ms. Kasnitz are apt comparisons because both are colleagues with experience that focuses on energy law and administrative proceedings, like Mr. Birkelund. Unlike potential comparisons to attorneys that represent intervenors but do not focus their legal practices on energy and utility matters, Mr. Birkelund has dedicated his career to include leadership positions in energy and utility law.</p> <p>In 2013-2014, SBUA's request to increase Mr. Birkelund's hourly rate is due to the Commission approved Cost-of-Living Adjustment (COLA) adopted by Resolution ALJ-28. In accordance with the Resolution, Mr. Birkelund's request for rates in 2013-2014 hourly rates have been raised to \$405 per hour to reflect the 2.2% COLA for intervenor hourly rates. For 2013, the PUC compensated attorneys with 13+ yrs. of experience in the range of \$310-\$555 per hour. Resolution ALJ-287. Mr. Birkelund's requested rate for 2013-2014 remains within the bottom half of this range.</p> <p>SBUA submits that this information is more than sufficient for the Commission to grant the requested hourly rate for Mr. Birkelund. However, should the Commission disagree and believe that it needs more information to support the request, SBUA asks that we be given an opportunity to provide additional information before a draft decision issues on this compensation request.</p>
<p>Comment 3 Hourly Rates for Michael Brown</p>	<p>SBUA seeks a hourly rate in 2013-2014 of \$185 for its expert, Michael Brown. Mr. Brown has worked in the electric & natural gas utility industry for more than 7 years and is an expert in his field. Mr. Brown has 2 additional years working with small businesses in Silicon Valley in the field of invention, mechanical engineering, civil engineering, and electrical engineering. His requested compensation "take[s] into consideration the market rates paid to persons of comparable training and experience who offer similar services," <i>see</i> PUC § 1806. His requested compensation is within the established 2013-2014 range of rates for his level of experience, and is in accordance with the Commission's guidelines in D. 05-11.031. For 2013, the PUC compensated experts with 7-12 yrs. of experience in the range of \$165-\$280 per hour. Resolution ALJ-287. Mr. Brown's request is at the bottom half of the range</p> <p>Mr. Brown's resume is included in Attachment 4. In summary, he has worked for both private (PG&E) and public utilities (City of Redding and related municipal entities) in California with roles as program manager, supervisor of electric resources, and project analyst. His experiences include: electric rate design, creating electric resource plans for electric utilities, managing construction projects at electric utilities, relicensing electric generation and transmission assets, licensing new electric generation power projects, and negotiating hundreds of utility agreements and energy-related projects. Mr. Brown has two years of experience working for small businesses</p>

	<p>including in Silicon Valley as an Applications Engineer helping businesses engineers create innovative new products. In addition, Mr. Brown serves the small business community as an appointed member of the San Joaquin Pollution Control Board (CAC, EJAG & a brand new committee recently created to specifically address effects of new Air Board regulations on small businesses). CAC & EJAG). Mr. Brown has a J.D. from University of San Francisco School of Law and a B.S. in Industrial Engineering from California Polytechnic University of San Luis Obispo. His other qualifications include: Engineer-in-Training certification in California; California Bar Membership, APICS Certification in Supply Chain Management; and APICS Certification in Detailed Scheduling and Planning.</p> <p>SBUA submits that this information is sufficient for the Commission to grant the requested hourly rate for Mr. Brown. However, should the Commission disagree and believe that it needs more information to support the request, SBUA asks that we be given an opportunity to provide additional information before a draft decision issues on this compensation request.</p>
Comment 4 Reasonableness of Expenses	The Commission should find SBUA's direct expenses reasonable. The expenses consist of photocopying expenses, including the costs of producing the hard copies of SBUA's testimony, postage costs for SBUA's participation in this proceeding, and travel expenses to attend settlement conferences and evidentiary hearings. The travel expenses should be compensated because the person who traveled have offices in Santa Monica or Visalia and only made the trips in question in order to appear at settlement conferences and/or the evidentiary hearing conducted for this proceeding.
Comment 5 Eligibility	SBUA does not anticipate any challenge to its eligibility for compensation in this proceeding. If any party does attempt to rebut the presumption of eligibility, however, SBUA requests that it be granted the opportunity to reply to such party's allegations within 10 days after the service of such filing.
Comment 6	Mr. Birkelund traveled from Santa Monica to San Francisco on two occasions for a settlement conference and hearings, respectively, but combined these trips with other business to minimize costs in this proceeding. He therefore is not requesting compensation for this travel time.
Attachment 1	Attorney Hours for James Birkelund
Attachment 2	Expert Hours for Michael Brown
Attachment 3	Profile of Attorney James Birkelund
Attachment 4	Resume of Expert Michael Brown
Attachment 5	Expense Detail for James Birkelund
Attachment 6	Expense Detail for Michael Brown

D. CPUC Disallowances and Adjustments:

Item	Reason
Part II.A.D; “Other Issues”	<p>We disallow 70% of the 58.4 hours claimed by SBUA for its work on “Other Issues.” Of the issues grouped under this heading, the only one expressly reflected in the settlement between PG&E and SBUA is short term incentive.” In article S of the settlement, contained in Appendix F-2 of Decision (D.) 14-08-043, PG&E agreed to meet with SBUA and other interested parties semi-annually to discuss among other matters, what actions PG&E may be taking to provide incentives for its employees, under short term incentive plans and otherwise, to provide improved services to small businesses. SBUA states that as part of its compromise to reach settlement with PG&E, it agreed not to further litigate these other issues. SBUA argues that, nevertheless, its work on these other issues, including prepared testimony, to “a more full robust debate” and provided leverage in settlement negotiations.</p> <p>The Commission has recognized the value of debate, even on issues decided against the intervenor. The problem here is that the “debate” on most of the issues in the “other” category ended without being addressed in either the settlement or in D.14-08-032.</p> <p>We decline to assign great value to the “leverage” SBUA gained from its work on these issues, given the silence of the settlement on all of them except for short-term incentives. We find that disallowing 70% of the claimed hours is reasonable for purposes of establishing SBUA’s substantial contribution on “Other Issues.”</p> <p>Applying the 70% disallowance leaves a total of 17.5 hours, consisting of 5 hours approved for Birkelund and 12.5hours for Brown.</p>
Part III. A.C; “Allocation of Hourly Issues”	<p>The 40 hours claimed by SBUA for preparation of its compensation request and NOI are excessive. We will approve 20 hours for this preparation, a 50% disallowance. In light of the limited scope of SBUA’s participation and the fact that SBUA used only two representatives, the task of tracking its hours by issue was relatively easy. (Ex. The Utility Reform Network (TURN), which participated on 49 issues and used 20 representatives in this proceeding, yet claimed only 31.5 hours for preparation of its compensation request and NOI). SBUA justifies the hours it claims on the basis that this is SBUA’s first compensation request; however, ratepayers should not be required to compensate an intervenor for the time its representative devotes to learning about the program. SBUA legitimately devoted additional time (in comparison with frequent intervenors) to support of its requested hourly rates for Birkelund and Brown, neither of whom had a previously authorized rate from the Commission. We have taken such additional time into account, but we find that under all the circumstances, 20 hours is a reasonable allowance for NOI and compensation request preparation.</p> <p>Applying the 50% disallowance leaves 17 hours approved for Birkelund and 3hours approved for Brown.</p>

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes

FINDINGS OF FACT

1. SBUA has made a substantial contribution to Decision 14-08-032.
2. The requested hourly rates for SBUA's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$82,140.73.

CONCLUSIONS OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.
2. The comment period for today's decision should be waived, and the decision made effective immediately, to facilitate timely payment of the award.

ORDER

1. Small Business Utility Advocates is awarded \$82,140.73.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay Small Business Utility Advocates the total award. Payment of the award shall include compound interest at the rate earned on prime three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning December 17, 2014, the 75th day after the filing of Small Business Utility Advocates' request and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, 2015 at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	N/A
Contribution Decision(s):	D1408032		
Proceeding(s):	A1211009		
Author:	ALJ Division		
Payer(s):	Pacific Gas and Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Small Business Utility Advocates (SBUA)	10/3/2014	\$95,331.73	\$82,140.73	N/A	Excessive hours; failure to make a substantial contribution on certain issues.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
James	Birkelund	Attorney	SBUA	\$395	2012	\$395
James	Birkelund	Attorney	SBUA	\$405	2013	\$405
James	Birkelund	Attorney	SBUA	\$405	2014	\$405
Michael	Brown	Expert	SBUA	\$185	2013	\$185
Michael	Brown	Expert	SBUA	\$185/\$92.50	2014	\$185/\$92.50

(END OF APPENDIX